

President Message

Social Innovation for a Better and Richer Way of Life

Around the world, there has been an increase in measures aimed at giving people a better way of life through overcoming social issues such as environmental degradation, aging populations, and urbanization. Examples of these efforts include the United Nations' Sustainable Development Goals (SDGs) and the Society 5.0 concept currently being promoted by the Japanese government.

These activities go beyond the current pursuit of economic prosperity – they also seek to take on the challenge of creating a sustainable society in which future generations can enjoy economic, industrial, and social prosperity. Meanwhile, the application of digital technologies such as AI and big data analysis is becoming more and more crucial to achieving these goals.

Recent advances in digital technology are steadily expanding the realm of possibility, e.g. by providing fresh insights into how societal challenges can be overcome, or by facilitating the rollout of innovative new services that transform both how people live and their perception of value. The rise of innovative technologies has been accompanied, however, by new challenges, including cybersecurity risks and a growing “digital divide,” whereby not all people are able to enjoy the benefits of digitalization.

To achieve a richer quality of life, it is vital to take full advantage of the benefits of these digital technologies, while not losing sight of their potential risks.

Hitachi is unique in the way it combines AI, big data analysis, and other digital technologies (IT) with an extensive product range and operational technologies for system control and operation (OT).

Pre-empting global trends, Hitachi has drawn on its strengths in digital technology, as well as the OT expertise developed on its production lines over many years, to operate its global Social Innovation Business. Through the Social Innovation Business, Hitachi hopes to resolve societal challenges by supplying social infrastructure and digital solutions that will add value for individuals, communities, and businesses.

Creating new value through collaborative creation with customers and other partners is vital to overcome the diverse societal challenges that different countries and regions face. To facilitate collaborative creation throughout the world, Hitachi has continued to develop its Lumada, solutions for digital innovation, that was first launched in 2016, providing greater speed and flexibility in how it can respond to the challenges faced by our customers. The Lumada Center Southeast Asia

was opened in September 2018 to serve as a base for the ASEAN region, and in April 2019, we will open the Collaboration Forest in Kokubunji, Tokyo, which will serve as a research facility for the exchange of knowledge between people within and outside of Hitachi.

Since its inception, *Hitachi Review* has published articles on a wide variety of developments and research that showcase Hitachi's solutions.

This issue of *Hitachi Review* features a headline interview with Murat Sönmez, Managing Director and Head of the World Economic Forum's Centre for the Fourth Industrial Revolution Network. In this profile story, Sönmez discusses the opportunities and challenges presented by digital technology. The interview is followed by an extensive range of articles covering the digital solutions and unique products that underpin Hitachi's Social Innovation Business.

Contributing to a better and richer life for people through its Social Innovation Business exemplifies Hitachi's Mission since the company's founding — “Contribute to society through the development of superior, original technology and products” — and shares a common cause with the SDGs and Society 5.0.

Hitachi will continue to strive to improve quality of life for individuals and communities, building richer societies through its Social Innovation Business together with customers and other partners.

I look forward to your continued support of our pursuit of this goal.



Toshiaki Higashihara
President & CEO, Hitachi, Ltd.

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